

Largest U.S. Farms Have Half Total Cattle



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USDA's February cattle on feed report had few surprises. The number of cattle placed on feed in January was up 1.6 percent from a year ago. This was the first time placements have been above year-earlier since May. Because of one extra slaughter day, both marketings and steer & heifer slaughter were up 5.6 percent compared to January 2012. The number of cattle on feed February 1 was down 6.2 percent. Low placement numbers last fall imply daily steer and heifer slaughter will be down sharply in March and April.

USDA's annual report on farm numbers says there were 915,000 U.S. farms with cattle last year, which is 7,000 fewer than the year before. Of these, 729,000 farms had beef cows and 58,000 had dairy cows. The largest 53,000 or so cow-calf farms have half the beef cows and the largest 2,200 or so dairy farms have half the dairy cows.

There was 484 million pounds of beef in cold storage at the end of January. That was up 3.9 percent from the month before, but down 0.2 percent from January 2012.

Blizzard conditions in the southern plains gave a big boost to fed cattle prices this week. Through Thursday, the 5-area average price for slaughter steers sold on a live weight basis was \$127.84/cwt, up \$5.08 from the prior week. On a dressed weight basis, steers averaged

\$203.30/cwt this week, up \$7.75 from the week before.

Beef carcass cutout values were also strongly higher this week. On Friday morning, the choice boxed beef carcass cutout value was \$187.49/cwt, up \$4.75 from last Friday. The select carcass cutout was \$185.25/cwt, up \$4.72 for the week.

This week's cattle slaughter totaled 563,000 head, down 1.7 percent from the week before and down 9.2 percent from the same week last year. The average steer dressed weight for the week ending on February 16 was 870 pounds, up 2 pounds from the week before and up 16 pounds from a year ago. This was the 58th consecutive week with steer weights above the year-earlier level. The calf crop has been declining and so has steer slaughter. In 2012 steer slaughter was down 2.3 percent compared to 2011, but steer carcass weights were up 2.2 percent. Much of the price benefit of fewer cattle is being offset by more beef per animal.

Feeder cattle prices at this week's Oklahoma City auction were sharply lower in light volume due to winter weather. The price ranges for medium and large frame #1 steers were: 400-450# \$180-\$197, 450-500# \$176-\$182, 500-550# \$168-\$177.50, 550-600# \$152.50-\$161, 600-650# \$145-\$154.50, 650-700# \$142, 700-750# \$136, 750-800# none, 800-900# \$129.25-\$132, and 900-1000# none.

The April fed cattle futures contract ended the week at \$129.95, up \$1.73 from the week before. The June contract gained 63 cents this week to settle at \$125.10 on Friday. August fed cattle ended the week at \$125.72/cwt. March feeder cattle futures ended the week 30 cents higher at \$141.55/cwt. April feeders closed out the week at \$144.15. Δ

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